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UNCLAS ATHENS 001408

SENSITIVE

SIPDIS

E.O. 12958: N/A

TAGS: [PGOV](#) [PREL](#) [PTER](#) [GR](#)

SUBJECT: NEW DEMOCRACY MAJORITY UP SLIGHTLY WITH RETURN OF PRODIGAL  
MP

REF: A. ATHENS 1399

[1](#)B. ATHENS 1380

SENSITIVE BUT UNCLASSIFIED - PROTECT ACCORDINGLY

[1](#)1. (SBU) Stavros Dailakis, the New Democracy deputy expelled from the parliamentary caucus for criticizing PM Karamanlis's personal aides on October 2 (reftels), has been reinstated by the PM. As a result, the GoG again has a majority of 152 seats in the 300-member Parliament. Dailakis had earlier sent a letter of apology to Karamanlis asking to be re-admitted to the ND parliamentary caucus.

[1](#)2. (SBU) Also in Parliament, main opposition PASOK leader George Papandreou announced on October 7 that his party would support government efforts to defend the Greek economy against the impact of the world economic crisis. Papandreou's statement drew applause from government deputies. PASOK, Papandreou added, would not abandon its criticism of a government that has effectively lost the confidence of voters, but it could not ignore the need for national unity on questions of economic policy in such dire times.

[1](#)3. (SBU) COMMENT: Whether with 151 or 152 deputies in Parliament, PM Karamanlis must contend with a party that has become far less united in the face of rapidly growing economic and political challenges. Press commentators highlight a generalized drop in ND morale and a suspicion amongst some senior deputies that Karamanlis's ability to handle the crisis may be receding. In contrast -- and for the first time since he became leader of PASOK in 2004 -- George Papandreou is drawing positive press comments for his statesmanlike pledge to work with the government to defend the Greek economy and his overall "improving" public presence. With polls showing ND and PASOK running neck and neck, Papandreou's "transformation" could soon become an important advantage in the main opposition's efforts to attract centrist, undecided, and independent voters, whose total number, polls show, currently stands near 20 percent.

SPECKHARD